

United States District Court **FILED**

FOR THE  
NORTHERN DISTRICT OF CALIFORNIA

VENUE: SAN FRANCISCO

2014 OCT 22 A 9:52

RICHARD W. WICKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

v.

**CR 14 534**

JOSEPH J. GIRAUDO

WHO

DEFENDANT(S).

**INDICTMENT**

Title 15 U.S.C. Section 1 (Bid Rigging)

(Counts One, Six)

Title 18 U.S.C. Section 1341 (Mail Fraud)

(Counts Two, Three, Four, Five, Seven, Eight)

A true bill.

*[Signature]*

Foreman

Filed in open court this 21<sup>st</sup> day of

October 2014

*[Signature: Stephen Ybarra]*

Clerk

Bail, \$ no money

*[Signature: Stephen Ybarra]*

# United States District Court

FOR THE  
NORTHERN DISTRICT OF CALIFORNIA

VENUE: SAN FRANCISCO

2014 OCT 22 A 9:52  
RICHARD W. WIERING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

V.

WHO

CR 14 534

RAYMOND A. GRINSELL

DEFENDANT(S).

## INDICTMENT

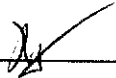
Title 15 U.S.C. Section 1 (Bid Rigging)

(Counts One, Six)

Title 18 U.S.C. Section 1341 (Mail Fraud)

(Counts Two, Three, Five, Seven, Eight)

A true bill.



Foreman

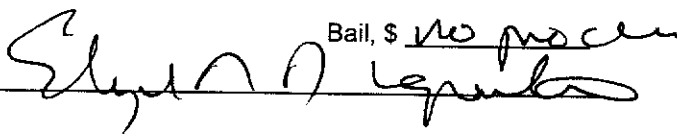
Filed in open court this 21st day of

October 2014

Stephen Ybarra

Clerk

Bail, \$ no money



United States District Court

FOR THE  
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VENUE: SAN FRANCISCO

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WHO

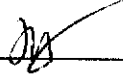
**CR 14 534**  
KEVIN B. CULLINANE

DEFENDANT(S).

**INDICTMENT**

Title 15 U.S.C. Section 1 (Bid Rigging)  
(Counts One)  
Title 18 U.S.C. Section 1341 (Mail Fraud)  
(Counts Two, Three, Four)

A true bill.



Foreman

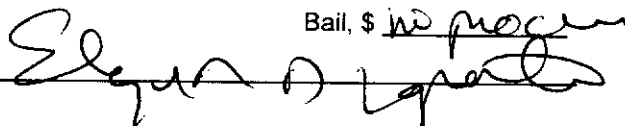
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**WHO**

**CR 14 534**

JAMES F. APPENRODT

DEFENDANT(S).

**INDICTMENT**

Title 15 U.S.C. Section 1 (Bid Rigging)  
(Counts One, Six)  
Title 18 U.S.C. Section 1341 (Mail Fraud)  
(Counts Three, Four, Five, Eight)

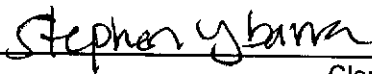
A true bill.



Foreman

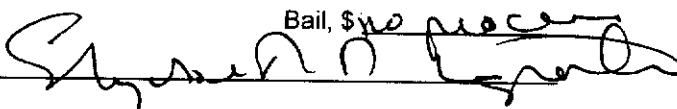
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# United States District Court

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NORTHERN DISTRICT OF CALIFORNIA

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V.

WHO

**CR 14 534**

ABRAHAM S. FARAG

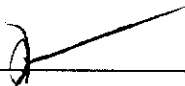
DEFENDANT(S).

## INDICTMENT

Title 15 U.S.C. Section 1 (Bid Rigging)  
(Counts One)

Title 18 U.S.C. Section 1341 (Mail Fraud)  
(Counts Two, Four)

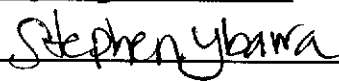
A true bill.



Foreman

Filed in open court this 21<sup>st</sup> day of

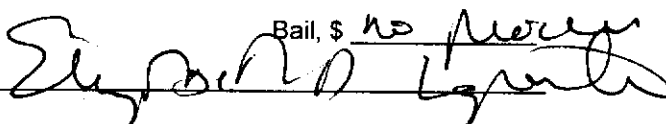
October 2014



Clerk

Bail, \$

no money



**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING
**OFFENSE CHARGED**
 Title 15 U.S. Code, Section 1 (Bid Rigging)  
 Counts One, Six  
 Title 18 U.S. Code, Section 1341 (Mail Fraud)  
 Counts Two, Three, Four, Five, Seven, Eight

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY: See attachment.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

**DEFENDANT - U.S.**

JOSEPH J. GIRAUDO

DISTRICT COURT NUMBER

CR 14 WHO 534

**PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

Federal Bureau of Investigation

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form Antitrust Division

☐ U.S. Attorney ☒ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

David J. Ward, Trial Attorney

**DEFENDANT****IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

 1) ☒ If not detained give date any prior summons was served on above charges
2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)**IS IN CUSTODY**4) ☐ On this charge5) ☐ On another conviction
☐ Federal ☐ State
6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted
**PROCESS:**
☐ SUMMONS ☒ NO PROCESS\* ☐ WARRANT

Bail Amount: \_\_\_\_\_

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: \_\_\_\_\_ Before Judge: \_\_\_\_\_

Comments:

**ADDITIONAL INFORMATION OR COMMENTS**

PENALTY SHEET

**Individual: Joseph J. Giraudo**

15 U.S.C. § 1 – Bid Rigging (Counts One, Six)

Maximum Penalties:

1. A term of imprisonment of 10 years
2. A fine of \$1 million, or two times the gross gain or loss, whichever is greater
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$200)
5. Restitution

18 U.S.C. § 1341 – Mail Fraud (Counts Two, Three, Four, Five, Seven, Eight)

Maximum Penalties:

1. A term of imprisonment of 20 years
2. A fine of \$1 million
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$600)
5. Restitution

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING

**OFFENSE CHARGED**

Title 15 U.S. Code, Section 1 (Bid Rigging)  
 Counts One, Six  
 Title 18 U.S. Code, Section 1341 (Mail Fraud)  
 Counts Two, Three, Five, Seven, Eight

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY: See attachment.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

**DEFENDANT - U.S.**

▶ **RAYMOND A. GRINSELL**

DISTRICT COURT NUMBER

**CR 14-534**

**DEFENDANT****IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.

- 1) ☒ If not detained give date any prior summons was served on above charges ▶
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

**IS IN CUSTODY**

- 4) ☐ On this charge
- 5) ☐ On another conviction } ☐ Federal ☐ State
- 6) ☐ Awaiting trial on other charges
- If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No

} If "Yes" give date filed

**DATE OF ARREST**

Month/Day/Year

Or... if Arresting Agency & Warrant were not

**DATE TRANSFERRED TO U.S. CUSTODY**

Month/Day/Year

☐ This report amends AO 257 previously submitted

**PROCEEDING**

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person

Furnishing Information on this form Antitrust Division

☐ U.S. Attorney ☒ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

David J. Ward, Trial Attorney

**PROCESS:**

☐ SUMMONS ☒ NO PROCESS\* ☐ WARRANT

Bail Amount: \_\_\_\_\_

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: \_\_\_\_\_ Before Judge: \_\_\_\_\_

Comments:

**ADDITIONAL INFORMATION OR COMMENTS**



PENALTY SHEET

**Individual: Raymond A. Grinsell**

15 U.S.C. § 1 – Bid Rigging (Counts One, Six)

Maximum Penalties:

1. A term of imprisonment of 10 years
2. A fine of \$1 million, or two times the gross gain or loss, whichever is greater
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$200)
5. Restitution

18 U.S.C. § 1341 – Mail Fraud (Counts Two, Three, Five, Seven, Eight)

Maximum Penalties:

1. A term of imprisonment of 20 years
2. A fine of \$1 million
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$500)
5. Restitution

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING
**OFFENSE CHARGED**
 Title 15 U.S. Code, Section 1 (Bid Rigging)  
 Count One  
 Title 18 U.S. Code, Section 1341 (Mail Fraud)  
 Counts Two, Three, Four

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY: See attachment.

Name of District Court, and/or Judge/Magistrate Location

 NORTHERN DISTRICT OF CALIFORNIA  
 SAN FRANCISCO DIVISION

DEFENDANT - U.S.

KEVIN B. CULLINANE

DISTRICT COURT NUMBER

 CR 14 534  
 WHO
**PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

Federal Bureau of Investigation

☐ person is awaiting trial in another Federal or State Court,  
 give name of court

☐ this person/proceeding is transferred from another district  
 per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of  
 charges previously dismissed  
 which were dismissed on motion  
 of:

☐ U.S. ATTORNEY ☐ DEFENSE
SHOW  
DOCKET NO.
☐ this prosecution relates to a  
 pending case involving this same  
 defendant
MAGISTRATE  
CASE NO.
☐ prior proceedings or appearance(s)  
 before U.S. Magistrate regarding this  
 defendant were recorded under

 Name and Office of Person  
 Furnishing Information on this form Antitrust Division

☐ U.S. Attorney ☒ Other U.S. Agency

 Name of Assistant U.S.  
 Attorney (if assigned)

David J. Ward, Trial Attorney

**DEFENDANT****IS NOT IN CUSTODY**
 1) ☒ Has not been arrested, pending outcome this proceeding.  
 If not detained give date any prior  
 summons was served on above charges
2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)**IS IN CUSTODY**4) ☐ On this charge5) ☐ On another conviction
☐ Federal ☐ State
6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

 Has detainer ☐ Yes  
 been filed? ☐ No

 If "Yes"  
 give date  
 filed
DATE OF  
ARREST

Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

DATE TRANSFERRED  
TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted
**PROCESS:****ADDITIONAL INFORMATION OR COMMENTS**
☐ SUMMONS ☒ NO PROCESS\* ☐ WARRANT

Bail Amount: \_\_\_\_\_

If Summons, complete following:

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Defendant Address: \_\_\_\_\_

 \* Where defendant previously apprehended on complaint, no new summons or  
 warrant needed, since Magistrate has scheduled arraignment

Date/Time: \_\_\_\_\_ Before Judge: \_\_\_\_\_

Comments: \_\_\_\_\_

PENALTY SHEET

**Individual: Kevin B. Cullinane**

15 U.S.C. § 1 – Bid Rigging (Count One)

Maximum Penalties:

1. A term of imprisonment of 10 years
2. A fine of \$1 million, or two times the gross gain or loss, whichever is greater
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$100)
5. Restitution

18 U.S.C. § 1341 – Mail Fraud (Counts Two, Three, Four)

Maximum Penalties:

1. A term of imprisonment of 20 years
2. A fine of \$1 million
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$300)
5. Restitution

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**

BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING

**OFFENSE CHARGED**

Title 15 U.S. Code, Section 1 (Bid Rigging)  
 Counts One, Six  
 Title 18 U.S. Code, Section 1341 (Mail Fraud)  
 Counts Three, Four, Five, Eight

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY: See attachment.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

**DEFENDANT - U.S.**

JAMES F. APPENRODT

DISTRICT COURT NUMBER

CR 14

534

WHO

**PROCEEDING**

Name of Complainant Agency, or Person (& Title, if any)

Federal Bureau of Investigation

☐ person is awaiting trial in another Federal or State Court, give name of court

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David J. Ward, Trial Attorney

**DEFENDANT****IS NOT IN CUSTODY**

Has not been arrested, pending outcome this proceeding.  
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2) ☐ Is a Fugitive

3) ☐ Is on Bail or Release from (show District)

**IS IN CUSTODY**

4) ☐ On this charge

5) ☐ On another conviction

☐ Federal ☐ State

6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted

**PROCESS:**

☐ SUMMONS ☒ NO PROCESS\* ☐ WARRANT

Bail Amount: \_\_\_\_\_

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

Defendant Address:

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: \_\_\_\_\_

Before Judge: \_\_\_\_\_

Comments:

**ADDITIONAL INFORMATION OR COMMENTS**

PENALTY SHEET

**Individual: James F. Appenrodt**

15 U.S.C. § 1 – Bid Rigging (Counts One, Six)

Maximum Penalties:

1. A term of imprisonment of 10 years
2. A fine of \$1 million, or two times the gross gain or loss, whichever is greater
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$200)
5. Restitution

18 U.S.C. § 1341 – Mail Fraud (Counts Three, Four, Five, Eight)

Maximum Penalties:

1. A term of imprisonment of 20 years
2. A fine of \$1 million
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$400)
5. Restitution

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
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**OFFENSE CHARGED**
 Title 15 U.S. Code, Section 1 (Bid Rigging)  
 Count One  
 Title 18 U.S. Code, Section 1341 (Mail Fraud)  
 Counts Two, Four

☐ Petty  
☐ Minor  
☐ Misdemeanor  
☒ Felony

PENALTY: See attachment.

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

**DEFENDANT - U.S.**

ABRAHAM S. FARAG

DISTRICT COURT NUMBER

**CR 14 534 WHO****PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

Federal Bureau of Investigation

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Name of Assistant U.S. Attorney (if assigned)

David J. Ward, Trial Attorney

**IS NOT IN CUSTODY**

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1) ☒ If not detained give date any prior summons was served on above charges2) ☐ Is a Fugitive3) ☐ Is on Bail or Release from (show District)**IS IN CUSTODY**4) ☐ On this charge5) ☐ On another conviction☐ Federal ☐ State6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... if Arresting Agency &amp; Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

☐ This report amends AO 257 previously submitted**PROCESS:**☐ SUMMONS ☒ NO PROCESS\* ☐ WARRANT

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Defendant Address:

Bail Amount: \_\_\_\_\_

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: \_\_\_\_\_ Before Judge: \_\_\_\_\_

Comments:

**ADDITIONAL INFORMATION OR COMMENTS**

PENALTY SHEET

**Individual: Abraham S. Farag**

15 U.S.C. § 1 – Bid Rigging (Count One)

Maximum Penalties:

1. A term of imprisonment of 10 years
2. A fine of \$1 million, or two times the gross gain or loss, whichever is greater
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$100)
5. Restitution

18 U.S.C. § 1341 – Mail Fraud (Counts Two, Four)

Maximum Penalties:

1. A term of imprisonment of 20 years
2. A fine of \$1 million
3. A period of supervised release of not more than 3 years
4. \$100 special assessment per count (\$200)
5. Restitution

**FILED**  
2014 OCT 22 A 9:56  
NICHOLAS W. WILKINS  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

DAVID J. WARD (CSBN 239504)  
CHRISTINA M. WHEELER (CSBN 203395)  
LIDIA MAHER (CSBN 222253)  
ANDREW J. NICHOLSON-MEADE (CSBN 284070)  
U.S. Department of Justice  
Antitrust Division  
450 Golden Gate Avenue  
Box 36046, Room 10-0101  
San Francisco, CA 94102  
Telephone: (415) 934-5300  
david.ward@usdoj.gov

Attorneys for the United States

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA

v.

JOSEPH J. GIRAUDO,  
RAYMOND A. GRINSELL,  
KEVIN B. CULLINANE,  
JAMES F. APPENRODT, and  
ABRAHAM S. FARAG,

Defendants.

**CR 14 534**

INDICTMENT

VIOLATIONS: 15 U.S.C. § 1 –  
Bid Rigging (Counts One & Six);  
18 U.S.C. § 1341 – Mail Fraud (Counts  
Two, Three, Four, Five, Seven & Eight)

The Grand Jury charges that:

BACKGROUND

1. At all times relevant to this Indictment, when California homeowners defaulted on their mortgages, mortgage holders could institute foreclosure proceedings and sell the properties through non-judicial public real estate foreclosure auctions (“public auctions”). These public auctions were governed by California Civil Code, Section 2924, *et seq.* Typically, a trustee was

WHO



1 appointed to oversee the public auctions. These public auctions usually took place at or near the  
2 courthouse of the county in which the properties were located. The auctioneer, acting on behalf  
3 of the trustee, sold the property to the bidder offering the highest purchase price. Proceeds from  
4 the sale were then used to pay the mortgage holders, other holders of debt secured by the  
5 property, and, in some cases, the defaulting homeowner (collectively "beneficiaries").

6 2. During the period covered by this Indictment, defendant JOSEPH J. GIRAUDO  
7 was a bidder at and purchased real estate at public auctions in San Mateo and San Francisco  
8 counties, California.

9 3. During the period covered by this Indictment, defendant RAYMOND A.  
10 GRINSELL was a bidder at and purchased real estate at public auctions in San Mateo and San  
11 Francisco counties, California.

12 4. During the period covered by this Indictment, defendant KEVIN B. CULLINANE  
13 was a bidder at and purchased real estate at public auctions in San Mateo County, California.

14 5. During the period covered by this Indictment, defendant JAMES F.  
15 APPENRODT was a bidder at and purchased real estate at public auctions in San Mateo and San  
16 Francisco counties, California, on behalf of defendant JOSEPH J. GIRAUDO and others.

17 6. During the period covered by this Indictment, defendant ABRAHAM S. FARAG  
18 was a bidder at and purchased real estate at public auctions in San Mateo County, California.

19 **COUNT ONE: 15 U.S.C. § 1 – Bid Rigging (San Mateo County)**

20 7. The following individuals are hereby indicted and made defendants on the charge  
21 contained in Count One below:

- 22 a. JOSEPH J. GIRAUDO;
- 23 b. RAYMOND A. GRINSELL;
- 24 c. KEVIN B. CULLINANE;
- 25 d. JAMES F. APPENRODT; and
- 26 e. ABRAHAM S. FARAG.

27 //

28 //

THE COMBINATION AND CONSPIRACY

8. Paragraphs 1 through 6 of this Indictment are re-alleged and incorporated herein as if fully set forth in this Count.

9. Beginning no later than August 2008 and continuing until on or about January 11, 2011, the exact dates being unknown to the Grand Jury, the defendants, JOSEPH J. GIRAUDO, RAYMOND A. GRINSELL, KEVIN B. CULLINANE, JAMES F. APPENRODT, ABRAHAM S. FARAG, and others known and unknown to the Grand Jury, entered into and engaged in a combination and conspiracy to suppress and restrain competition by rigging bids to obtain dozens of selected properties offered at public auctions in San Mateo County in the Northern District of California, in unreasonable restraint of interstate trade and commerce, in violation of Section 1 of the Sherman Act, Title 15, United States Code.

10. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and co-conspirators to suppress competition by agreeing to refrain from or stop bidding against each other to purchase selected properties at public auctions in San Mateo County at non-competitive prices.

MEANS AND METHODS

11. For the purpose of forming and carrying out the charged combination and conspiracy, the defendants and co-conspirators did those things that they combined and conspired to do, including, among other things:

- a. agreeing not to compete or to stop competing to purchase selected properties at public auctions in return for payoffs;
- b. designating which conspirators would win selected properties at public auctions;
- c. refraining from or stopping bidding for selected properties at public auctions; and
- d. purchasing selected properties at public auctions at artificially suppressed prices.

//

1           12.     Various entities and individuals, not made defendants in this Count, participated  
2 as co-conspirators in the offense charged and performed acts and made statements in furtherance  
3 thereof.

4                               TRADE AND COMMERCE

5           13.     The public auctions and the business activities of the defendants and co-  
6 conspirators that are the subject of this Count were within the continuous and uninterrupted flow  
7 of, and substantially affected, interstate trade and commerce. For example, during the period  
8 covered by this Count:

9                   a.     substantial proceeds from the sale of properties purchased by the co-  
10 conspirators pursuant to the bid-rigging conspiracy were transmitted from locations in one state  
11 to certain beneficiaries located in other states;

12                   b.     instructions regarding the terms of sale of properties that would be  
13 purchased by the co-conspirators pursuant to the bid-rigging conspiracy were transmitted and  
14 communicated by certain beneficiaries located in one state to trustees located in other states;

15                   c.     paperwork related to the sale of properties purchased by the co-  
16 conspirators pursuant to the bid-rigging conspiracy was sent by trustees located in one state to  
17 certain beneficiaries located in other states, notifying them of the sale of properties in which the  
18 beneficiaries held an interest; and

19                   d.     beneficiaries included companies that operated in interstate commerce.

20                               JURISDICTION AND VENUE

21           14.     The combination and conspiracy charged in this Count was carried out, in part, in  
22 the Northern District of California, within the five years preceding the return of this Indictment.

23           ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

24           **COUNTS TWO THROUGH FIVE: 18 U.S.C. § 1341 – Mail Fraud (San Mateo County)**

25           The Grand Jury further charges that:

26                               THE SCHEME TO DEFRAUD

27           15.     Paragraphs 1 through 6 of this Indictment are re-alleged and incorporated herein  
28 as if fully set forth in these Counts.

1           16.     Beginning no later than August 2008 and continuing until on or about January 11,  
2 2011, the exact dates being unknown to the Grand Jury, in San Mateo County in the Northern  
3 District of California, the defendants, JOSEPH J. GIRAUDO, RAYMOND A. GRINSELL,  
4 KEVIN B. CULLINANE, JAMES F. APPENRODT, ABRAHAM S. FARAG, and others  
5 known and unknown to the Grand Jury, did knowingly and with intent to defraud, devise and  
6 participate in a scheme and artifice to defraud beneficiaries and to obtain money and property  
7 from beneficiaries by means of materially false and fraudulent pretenses, representations, and  
8 promises, and, for purposes of executing such scheme, to use and knowingly cause to be used the  
9 United States mail and private or commercial interstate carriers.

10           17.     The purpose of the scheme was to fraudulently acquire title to dozens of selected  
11 properties sold at public auctions in San Mateo County and to divert money to co-schemers that  
12 would have gone to beneficiaries.

13                   MEANS AND METHODS OF THE SCHEME TO DEFRAUD

14           18.     For the purpose of forming and carrying out the charged scheme to defraud, the  
15 defendants and co-schemers did those things that they schemed to do, including, among other  
16 things:

- 17                   a.     paying co-schemers monies that otherwise would have gone to  
18 beneficiaries;  
19                   b.     taking steps to conceal the fact that monies were diverted from  
20 beneficiaries to co-schemers;  
21                   c.     making and causing to be made materially false and misleading statements  
22 on records of public auctions that trustees relied upon to distribute proceeds from the public  
23 auction to beneficiaries and convey title to selected properties sold at the public auctions; and  
24                   d.     causing the suppressed purchase price to be reported to beneficiaries.

25                   USE OF THE MAILS

26           19.     To carry out and attempt to carry out the scheme and artifice to defraud, the  
27 defendants and co-schemers knowingly used and caused to be used the United States Postal  
28 Service and private or commercial interstate carriers. For example, the defendants and

co-schemers caused trustees to use the United States mail and private or commercial interstate carriers to transmit the Trustee's Deeds Upon Sale ("TDUS") and other related documents to participants in the scheme. These mailings were foreseeable to the defendants and mailed in the ordinary course of business.

20. On or about the dates and with respect to the individual defendants specified as to each count set forth below, the defendants and co-schemers did knowingly cause to be delivered by United States mail and private and commercial carriers, including the United States Postal Service, United Parcel Service, and FedEx, the items identified in each count below:

Count	Defendants	Approx. Date of Mailing	To	From	Description of Mailing
2	Joseph Giraudo Raymond Grinsell Kevin Cullinane Abraham Farag	3/9/2010	10 Santa Gina Ct., Hillsborough, CA 94010	Default Resolution Network	TDUS Regarding: 2544 Emmett Way, East Palo Alto, CA
3	Joseph Giraudo Raymond Grinsell Kevin Cullinane James Appenrodt	4/5/2010	311 S. Ellsworth Ave. San Mateo, CA 94401	Regional Trustee Services	TDUS Regarding: 974 Gellert Blvd., Daly City, CA
4	Joseph Giraudo Kevin Cullinane James Appenrodt Abraham Farag	5/13/2010	2300 Bridgeway, Sausalito, CA 94965	NDeX West, L.L.C.	TDUS Regarding: 91 El Portal Way, Daly City, CA
5	Joseph Giraudo Raymond Grinsell James Appenrodt	9/10/2010	63 Bovet Rd. #354 San Mateo, CA 94403	Quality Loan Service Corp.	TDUS Regarding: 81 Highland Ave, San Carlos, CA

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JURISDICTION AND VENUE

21. The scheme and artifice to defraud charged in these Counts was carried out, in part, in the Northern District of California, within the five years preceding the return of this Indictment.

ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1341.

**COUNT SIX: 15 U.S.C. § 1 – Bid Rigging (San Francisco County)**

The Grand Jury further charges that:

22. The following individuals are hereby indicted and made defendants on the charges stated in Count Six below:

- a. JOSEPH J. GIRAUDO;
- b. RAYMOND A. GRINSELL; and
- c. JAMES F. APPENRODT.

THE COMBINATION AND CONSPIRACY

23. Paragraphs 1 through 3 and paragraph 5 of this Indictment are re-alleged and incorporated herein as if fully set forth in this Count.

24. Beginning no later than November 2008 and continuing until on or about January 11, 2011, the exact dates being unknown to the Grand Jury, the defendants, JOSEPH J. GIRAUDO, RAYMOND A. GRINSELL, JAMES F. APPENRODT, and others known and unknown to the Grand Jury, entered into and engaged in a combination and conspiracy to suppress and restrain competition by rigging bids to obtain dozens of selected properties offered at public auctions in San Francisco County in the Northern District of California, in unreasonable restraint of interstate trade and commerce, in violation of Section 1 of the Sherman Act, Title 15, United States Code.

25. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendants and co-conspirators to suppress competition by agreeing to refrain from or stop bidding against each other to purchase dozens of selected properties at public auctions in San Francisco County at non-competitive prices.

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MEANS AND METHODS

26. For the purpose of forming and carrying out the charged combination and conspiracy, the defendants and co-conspirators did those things that they combined and conspired to do, including, among other things:

a. agreeing not to compete or to stop competing to purchase selected properties at public auctions in returns for payoffs;

b. designating which conspirators would win selected properties at public auctions;

c. refraining from or stopping bidding for selected properties at public auctions; and,

d. purchasing selected properties at public auctions at artificially suppressed prices.

27. Various entities and individuals, not made defendants in this Count, participated as co-conspirators in the offense charged and performed acts and made statements in furtherance thereof.

TRADE AND COMMERCE

28. The public auctions and the business activities of the defendants and co-conspirators that are the subject of this Count were within the continuous and uninterrupted flow of, and substantially affected, interstate trade and commerce. For example, during the period covered by this Count:

a. substantial proceeds from the sale of properties purchased by the co-conspirators pursuant to the bid-rigging conspiracy were transmitted from locations in one state to certain beneficiaries located in other states;

b. instructions regarding the terms of sale of properties that would be purchased by the co-conspirators pursuant to the bid-rigging conspiracy were transmitted and communicated by certain beneficiaries located in one state to trustees located in other states;

c. paperwork related to the sale of properties purchased by the co-conspirators pursuant to the bid-rigging conspiracy was sent by trustees located in one state to

1 certain beneficiaries located in other states, notifying them of the sale of properties in which the  
2 beneficiaries held an interest; and

3 d. beneficiaries included companies that operated in interstate commerce.

4 JURISDICTION AND VENUE

5 29. The combination and conspiracy charged in this Count was carried out, in part, in  
6 the Northern District of California, within the five years preceding the return of this Indictment.

7 ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

8 **COUNTS SEVEN & EIGHT: 18 U.S.C. § 1341 – Mail Fraud (San Francisco County)**

9 The Grand Jury further charges that:

10 THE SCHEME TO DEFRAUD

11 30. Paragraphs 1 through 3 and paragraph 5 of this Indictment are re-alleged and  
12 incorporated herein as if fully set forth in these Counts.

13 31. Beginning no later than November 2008 and continuing until on or about January  
14 11, 2011, the exact dates being unknown to the Grand Jury, in San Francisco County in the  
15 Northern District of California, the defendants, JOSEPH J. GIRAUDO, RAYMOND A.  
16 GRINSELL, JAMES F. APPENRODT, and others known and unknown to the Grand Jury, did  
17 knowingly and with intent to defraud, devise and participate in a scheme and artifice to defraud  
18 beneficiaries and to obtain money and property from beneficiaries by means of materially false  
19 and fraudulent pretenses, representations, and promises, and, for purposes of executing such  
20 scheme, to use and knowingly cause to be used the United States mail and private or commercial  
21 interstate carriers.

22 32. The purpose of the scheme was to fraudulently acquire title to dozens of selected  
23 properties sold at public auctions in San Francisco County and to divert money to co-schemers  
24 that would have gone to beneficiaries.

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MEANS AND METHODS OF THE SCHEME TO DEFRAUD

33. For the purpose of forming and carrying out the charged scheme to defraud, the defendants and co-schemers did those things that they schemed to do, including, among other things:

- a. paying co-schemers monies that otherwise would have gone to beneficiaries;
- b. taking steps to conceal the fact that monies were diverted from beneficiaries to co-schemers;
- c. making and causing to be made materially false and misleading statements on records of public auctions that trustees relied upon to distribute proceeds from the public auction to beneficiaries and convey title to properties sold at the public auctions; and
- d. causing the suppressed purchase price to be reported to beneficiaries.

USE OF THE MAILS

34. To carry out and attempt to carry out the scheme and artifice to defraud, the defendants and co-schemers knowingly used and caused to be used the United States Postal Service and private or commercial interstate carriers. For example, the defendants and co-schemers caused trustees to use the United States mail and private or commercial interstate carriers to transmit TDUSs and other related documents to participants in the scheme. These mailings were foreseeable to the defendants and mailed in the ordinary course of business.

35. On or about the dates and with respect to the individual defendants specified as to each count set forth below, the defendants and co-schemers did knowingly cause to be delivered by United States mail and private and commercial carriers, including the United States Postal Service, United Parcel Service, and FedEx, the items identified in each count below:

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Count	Defendants	Approx. Date of Mailing	To	From	Description of Mailing
7	Joseph Giraudo Raymond Grinsell	7/8/2010	2010 Ocean Ave. Suite E San Francisco, CA 94127	CR Title Services Inc.	TDUS Regarding: 4126 Pacheco St. San Francisco, CA
8	Joseph Giraudo Raymond Grinsell James Appenrodt	7/23/2010	1138 Taylor St. San Francisco, CA 94108	Northwest Trustee Services, Inc.	TDUS Regarding: 2094 46 <sup>th</sup> Ave San Francisco, CA

#### JURISDICTION AND VENUE

36. The scheme and artifice to defraud charged in these Counts was carried out, in part, in the Northern District of California, within the five years preceding the return of this Indictment.

ALL IN VIOLATION OF TITLE 18, UNITED STATES CODE, SECTION 1341.

#### **FORFEITURE ALLEGATION: 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)**

37. Paragraphs 1 through 6, paragraphs 15 through 21, and paragraphs 30 through 36 are hereby re-alleged as if fully set forth herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

38. Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), upon conviction of the offenses alleged in Counts Two, Three, Four, Five, Seven, and Eight of this Indictment, each defendant so convicted shall be jointly and severally liable to forfeit to the United States any property constituting, or derived from, proceeds obtained directly or indirectly from the scheme and artifice to defraud alleged in said Counts.

39. If, as a result of any act or omission of the defendants, any of said property:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;

- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property that cannot be divided without difficulty;

any and all interest that the defendants have in any other property, up to the value of the property described in Paragraph 38 above, shall be forfeited to the United States pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

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Dated: 10-21-14


A TRUE BILL.

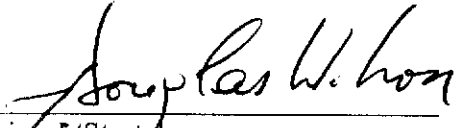
  
FOREPERSON

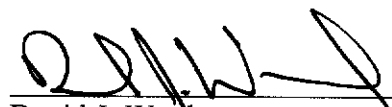
  
Brent Snyder  
Deputy Assistant Attorney General

  
Marc Siegel  
Chief, San Francisco Office

  
Marvin N. Price  
Director of Criminal Enforcement  
United States Department of Justice  
Antitrust Division

  
E. Kate Patchen  
Assistant Chief, San Francisco Office

  
Brian J. Stretch  
Attorney for the United States  
Acting Under Authority Conferred  
by 28 U.S.C. § 515

  
David J. Ward  
Christina M. Wheeler  
Lidia Maher  
Andrew Nicholson-Meade  
United States Department of Justice  
Antitrust Division